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IN THE  
**Supreme Court of the United States**

OCTOBER TERM, 1944

No. 75

FORD MOTOR COMPANY,

*Petitioner,*

v.

DEPARTMENT OF TREASURY OF THE STATE OF INDIANA, M. Clifford Townsend, Joseph M. Robertson, and Frank G. Thompson, as and Constituting the Department of Treasury of The State of Indiana,

*Respondents.*

**PETITIONER'S REPLY TO  
RESPONDENTS' MEMORANDUM**

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*Of Counsel.*

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**PETITIONER'S REPLY TO  
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The jurisdiction of the District Court of the subject matter involved in this litigation has never been questioned until now. In response to this belated contention, it is only necessary for petitioner to point out that the complaint clearly sets forth a real and substantial controversy under the Federal Constitution (R. 2, Par. 2 at bottom of page). Respondents totally disregard the allegations of the complaint and assume that if the Federal questions involved

in the controversy are decided against the plaintiff, all jurisdiction is then lost. Of course, such is not the case for jurisdiction is dependent upon the initial involvement of a Federal question, not upon tenability of plaintiff's view or the ultimate decision adverse to that view. As to jurisdiction, where a complaint sets forth a real and substantial controversy under the Federal Constitution and also involves state questions, this Court has held.

"This being so, the jurisdiction of that Court extended, and ours on appeal extends, to a determination of all questions involved in the case, including questions of state law, irrespective of the disposition that be made of the Federal question, or whether it be found necessary to decide it at all." (*Greene v. Louisville & I. R. Co.* (1917), 244 U. S. 499.)

See also:

**Mosher v. City of Phoenix** (1932), 287 U. S. 29;

**Columbus Ry, etc. v. Columbus** (1919), 249 U. S. 399;

**North American Cold Storage v. Chicago** (1908), 211 U. S. 306;

*Pacific Electric R. Co. v. Los Angeles* (1904), 194 U. S. 112;

*Doherty v. McAuliffe* (1935), 74 Fed. 2d 800, certiorari denied 294 U. S. 730;

1 Encyclopedia of Federal Procedure (2nd Ed.), p. 420.

It is true that the District Court decided all Federal questions involved in the complaint against petitioner, and it is true that the Circuit Court of Appeals likewise decided

all Federal questions against petitioner, but at the same time both courts had jurisdiction to and did decide a state question contrary to the applicable decisions of the state court. Because of the decision in that respect, petitioner requested certiorari on that precise ground. Unless it is to be said that when Federal questions are defeated, Federal courts lose all jurisdiction (to the contrary see *Railroad Commission of Cal. v. Pacific Gas & Elec. Co.* (1937), 302 U. S. 388) petitioner is entitled to a decision of this Court on the merits of its claim under state law, for jurisdiction having validly attached, it continues as to all questions involving the controversy, not only Federal but other questions within the legitimate scope of the controversy. (See collection of authorities in *Railroad Commission of Cal. v. Pacific Gas & Elec. Co.* (1937), 302 U. S. 388.) See also *Silver v. L. & N. Ry. Co.* (1909), 213 U. S. 175.

Respectfully submitted,

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JAMES A. ROSS,  
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